

**REPLY DECLARATION OF PAUL A. LACOUTURE AND
VIRGINIA P. RUESTERHOLZ**

ATTACHMENT 43

REDACTED – FOR PUBLIC INSPECTION

2/1/01 - 6/30/01

Summary of all MR type work from CMA Database for VZ and CLECS

	VZ MR JOBS	VZ TOTAL DAYS	AVG DAYS COMP		CLEC MR JOBS	CLEC TOTAL DAYS	AVG DAYS COMP
FEB	496	51075	103		28	1117	40
MAR	506	44448	88		46	3495	76
APR	388	32053	83		18	1782	99
MAY	333	27319	82		24	1541	64
JUN	192	17367	90		23	1157	50
AVG DAYS COMPLETED				89	AVG DAYS COMPLETED		66

add 5 days for paperwork
add 5 days for paperwork
add 5 days for paperwork
add 5 days for paperwork

REDACTED – FOR PUBLIC INSPECTION



REPLY DECLARATION OF PAUL A. LACOUTURE AND
VIRGINIA P. RUESTERHOLZ

ATTACHMENT 44

Jeffrey A. Masoner
Vice President Interconnection Services
2107 Wilson Blvd
11th Floor
Arlington, Va. 22201
Tel. 703 974-4610
Fax 703 974-0314



May 14, 2001

«Carrier»
«Name»
«Title»
«Adr1» «Adr2»
«City», «St» «ZIP»

Dear Customer:

On April 18, 2001, the Federal Communications Commission ("FCC") adopted an order addressing the charges that carriers may bill to and collect from each other in connection with their exchange of dial-up Internet traffic. See, *Order on Remand and Report and Order*, CC Docket Nos. 96-98, 99-68 (adopted April 18, 2001) (the "Order"). This letter is intended to advise you of the key provisions of the Order, and to notify you of steps that Verizon is taking to implement the Order. Because the Order may have a material effect on your operations, please read this letter carefully.

In the Order, the FCC determines that Internet traffic is interstate exchange access traffic – specifically, information access traffic – and that such traffic is not subject to payment of reciprocal compensation under Section 251(b)(5) of the Communications Act. In addition, the FCC reconfirms its prior analysis that led to its earlier ruling that Internet traffic is not "local" traffic because a call to the Internet is one, continuous call and not two separate calls. In order to limit the regulatory arbitrage opportunity that has existed in those states where reciprocal compensation has been paid on Internet traffic prior to adoption of the Order, the FCC exercises its authority under Section 201 of the Communications Act to prescribe an alternative, transitional intercarrier compensation regime for Internet traffic.

In order to give effect to the Order, and to ensure its continued compliance with applicable law, Verizon will implement the following practices on the effective date of the rate-affecting provisions of the Order (*i.e.*, thirty days after publication in the Federal Register):

- To the extent Verizon is exchanging dial-up Internet traffic and traffic properly compensable under Section 251(b)(5) with you in a given state over facilities obtained under a particular interconnection agreement or local interconnection tariff, Verizon will presume, as an initial matter, that any such traffic that exceeds a 3:1 ratio of terminating to originating traffic is Internet traffic (and therefore interstate exchange access traffic). Either party may seek to rebut this presumption by

demonstrating to the appropriate state regulatory commission that traffic below this ratio is in fact Internet traffic, or that traffic above this ratio is non-Internet traffic that is subject to reciprocal compensation pursuant to Section 251(b)(5) of the Act. During the pendency of any such proceedings, traffic above the 3:1 ratio will continue to be governed by the intercarrier compensation regime set forth in the Order, and upon conclusion of such proceedings, compensation paid between the parties will be subject to true-up, if appropriate.

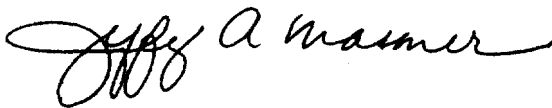
- Initially, and continuing for six months after the effective date of the Order, the intercarrier compensation rate for Internet traffic will be capped at \$.0015 per minute of use. Starting in the seventh month, and continuing for eighteen months, the rate will be capped at \$.001 per minute of use. Starting in the twenty-fifth month, and continuing through the thirty-sixth month or until further FCC action (whichever is later), the rate will be capped at \$.0007 per minute of use. If state law has previously required payment on Internet traffic at a rate lower than the applicable rate caps established in the Order, or has previously required a lower rate structure for Internet traffic, such as "bill and keep," then that lower rate or rate structure may apply under the terms of the Order.
- The amount of Internet traffic on which Verizon will pay intercarrier compensation to you in 2001 in a given state may not exceed 110% of the total number of Internet-bound minutes for which you were entitled to compensation under your interconnection agreement or local interconnection tariff in that state in the first quarter of 2001, annualized. (The volume of compensable Internet traffic in 2002 may not exceed 110% of the 2001 compensable Internet traffic volume originated on Verizon's network in a given state, and in 2003 may not exceed the 2002 compensable volume originated on Verizon's network in that state.) Accordingly, if you were not exchanging Internet traffic with Verizon in the first quarter of this year, or if for any reason you were not entitled under your interconnection agreement or local interconnection tariff to compensation on Internet traffic during that period, then you will not be entitled to compensation for Internet traffic under the Order.
- Verizon will pay properly invoiced intercarrier compensation charges on dial-up Internet traffic that originates on Verizon's network on or after the effective date of the Order up to the rate caps and payment limits authorized by the Order, as described above. **You are hereby put on notice, to the extent such notice is required, that Verizon will not pay any amounts invoiced by you that exceed the applicable rate caps or payment limits, as described above.**
- With respect to those states in which the state regulatory commission or any court of competent jurisdiction has previously determined that you are entitled to receive compensation for Internet traffic under the terms of your interconnection agreement, the Order recognizes Verizon's right to invoke the change of law provisions set forth in that agreement. Without waiving its position that neither Section 251(b)(5) nor your current interconnection agreement or any relevant tariff obligates Verizon to pay or continue paying reciprocal compensation on Internet traffic, **Verizon hereby gives written notice, to the extent such notice is required, that the Order constitutes a material change of law in the aforementioned states. Verizon hereby invokes any and all rights it may have under your interconnection agreement or**

otherwise with respect to government orders affecting its obligations to you or other changes in law, including, where applicable, the right to terminate any provision of your interconnection agreement that imposes obligations on Verizon that are no longer required under applicable law.

The Order requires Verizon to offer all CLECs and CMRS providers an optional reciprocal compensation rate plan for termination of non-Internet traffic subject to Section 251(b)(5). Under this optional plan, such traffic exchanged between Verizon and a Local Exchange Carrier or CMRS provider in a given state will be subject to compensation at the same rate applicable to Internet traffic in that state under the terms of the Order. The terms and conditions applicable to this optional rate plan are available from your account manager or your designated Verizon Contract Negotiator, and will take effect no earlier than the date that is thirty days after publication of the Order in the Federal Register.

Because we anticipate that all parties will experience temporary billing difficulties in implementing the Order, you are encouraged to work with your assigned Verizon Account Manager to understand how the terms of the Order will be applied to you in each of the Verizon states in which you do business.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jeff A Masoner". The signature is fluid and cursive, with a large initial "J" and "M".

Jeffrey A. Masoner
Vice President Interconnection Services

**REPLY DECLARATION OF PAUL A. LACOUTURE AND
VIRGINIA P. RUESTERHOLZ**

ATTACHMENT 45

Jack H. White
Vice President and Associate General Counsel



1320 North Courthouse Road
Arlington, VA 22201

June 26, 2001

BY CERTIFIED U.S. MAIL

Carrier Relations
XO Pennsylvania, L.P.
925 Berkshire Blvd
Wyoming, PA 19610

Re: Implementation of FCC's Order on Remand

Dear Customer:

In a notice dated May 14, 2001, you were advised of Verizon's election to implement the intercarrier compensation regime for Internet traffic set forth in the FCC's *Order on Remand and Report and Order*, CC Docket Nos. 96-98, 99-68 (adopted April 18, 2001) (the "Order on Remand"). This election applies to all Verizon operating telephone companies with which your company has an effective interconnection agreement.

Although it is Verizon's position that the compensation regime set forth in the Order on Remand is self-effecting by operation of various provisions of your interconnection agreement, including its change in law provisions, Verizon has prepared a short amendment, attached hereto, that conforms your agreement to the terms of the Order on Remand. Without waiving Verizon's position that this amendment is not required to implement the terms of the Order on Remand, we are requesting that you review the attached amendment and indicate your consent thereto by signing two copies of the document and returning them to:

Ms. Antonia Siebert
Verizon Legal Department
1320 North Court House Road, 8th Floor
Arlington, VA 22201
Phone: 703-974-4851
Fax: 703-974-0259

Once we have received the two signed documents, a single fully executed document will be returned to you.

Jack H. White
Implementation of FCC's Order on Remand
June 26, 2001

Attachment 45 – Lacouture/Ruesterholz Reply Decl. -- Page 2

If you wish to suggest changes to the attached amendment, we are ready to meet with you by telephone or otherwise to negotiate appropriate revisions. Please provide your proposed changes to Ms. Siebert as soon as possible, and let her know when you or your representative will be available to confer.

As stated in Verizon's industry notice of May 14, 2001, Verizon has also offered, as required by the Order on Remand, to amend your interconnection agreement in each state to implement an alternative rate plan for termination of reciprocal compensation traffic originated by either party that would mirror the rates applicable to Internet traffic in that state. We expect that this alternative rate plan will only be of interest to carriers with a net balance of traffic in Verizon's favor; but if you should nevertheless wish to adopt that alternative rate plan in the Commonwealth of Pennsylvania, please advise Ms. Siebert of that fact and we will forward an appropriate form of amendment.

Sincerely,

A handwritten signature in black ink, appearing to read "J. White", is positioned above the printed name.

Jack H. White

Attachment

AMENDMENT NO. __

to the

INTERCONNECTION AGREEMENT

between

VERIZON NORTH INC., f/k/a GTE NORTH INCORPORATED

and

XO Pennsylvania L.P.

This Amendment (the "Amendment") to the Interconnection Agreement between Verizon North Inc., f/k/a GTE North Incorporated and XO Pennsylvania L.P. (the "Agreement") is effective June 14, 2001.

Notwithstanding any other provision of the Agreement, Local Traffic does not include any Internet traffic. The Parties' rights and obligations with respect to any intercarrier compensation that may be due in connection with their exchange of Internet traffic shall be governed by the Order on Remand and Report and Order, *In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Intercarrier Compensation for ISP Bound Traffic*, FCC 01-131, CC Docket Nos. 96-98 and 99-68.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be duly executed and delivered by their duly authorized representatives.

XO Pennsylvania L.P.

Verizon North Inc., f/k/a GTE North
Incorporated

By: _____

By: _____

Printed: _____

Printed: Jeffrey A. Masoner

Title: _____

Title: Vice-President - Interconnection
Services Policy & Planning

Jack H. White
Vice President and Associate General Counsel



1320 North Courthouse Road
Arlington, VA 22201

June 26, 2001

BY CERTIFIED U.S. MAIL

John Spilman
Cardinal Communications of Pennsylvania, Inc.
675 Peter Jefferson Pkwy, Suite 310
Charlottesville, VA 22911

Re: Implementation of FCC's *Order on Remand*

Dear Customer:

In a notice dated May 14, 2001, you were advised of Verizon's election to implement the intercarrier compensation regime for Internet traffic set forth in the FCC's *Order on Remand and Report and Order*, CC Docket Nos. 96-98, 99-68 (adopted April 18, 2001) (the "Order on Remand"). This election applies to all Verizon operating telephone companies with which your company has an effective interconnection agreement.

Although it is Verizon's position that the compensation regime set forth in the Order on Remand is self-effecting by operation of various provisions of your interconnection agreement, including its change in law provisions, Verizon has prepared a short amendment, attached hereto, that conforms your agreement to the terms of the Order on Remand. Without waiving Verizon's position that this amendment is not required to implement the terms of the Order on Remand, we are requesting that you review the attached amendment and indicate your consent thereto by signing two copies of the document and returning them to:

Ms. Antonia Siebert
Verizon Legal Department
1320 North Court House Road, 8th Floor
Arlington, VA 22201
Phone: 703-974-4851
Fax: 703-974-0259

Once we have received the two signed documents, a single fully executed document will be returned to you.

Jack H. White
Implementation of FCC's Order on Remand
June 26, 2001

Attachment 45 – Lacouture/Ruesterholz Reply Decl. – Page 5

If you wish to suggest changes to the attached amendment, we are ready to meet with you by telephone or otherwise to negotiate appropriate revisions. Please provide your proposed changes to Ms. Siebert as soon as possible, and let her know when you or your representative will be available to confer.

As stated in Verizon's industry notice of May 14, 2001, Verizon has also offered, as required by the Order on Remand, to amend your interconnection agreement in each state to implement an alternative rate plan for termination of reciprocal compensation traffic originated by either party that would mirror the rates applicable to Internet traffic in that state. We expect that this alternative rate plan will only be of interest to carriers with a net balance of traffic in Verizon's favor; but if you should nevertheless wish to adopt that alternative rate plan in the Commonwealth of Pennsylvania, please advise Ms. Siebert of that fact and we will forward an appropriate form of amendment.

Sincerely,

A handwritten signature in black ink, appearing to read "J. White", with a stylized, cursive script.

Jack H. White

Attachment

AMENDMENT NO. __

to the

INTERCONNECTION AGREEMENT

between

VERIZON NORTH INC., f/k/a GTE NORTH INCORPORATED

and

**Cardinal Communications of Pennsylvania Inc., d/b/a Broadslate Networks of
Pennsylvania, Inc.**

This Amendment (the "Amendment") to the Interconnection Agreement between Verizon North Inc., f/k/a GTE North Incorporated and Cardinal Communications of Pennsylvania Inc., d/b/a Broadslate Networks of Pennsylvania, Inc. (the "Agreement") is effective June 14, 2001.

Notwithstanding any other provision of the Agreement, Local Traffic does not include any Internet traffic. The Parties' rights and obligations with respect to any intercarrier compensation that may be due in connection with their exchange of Internet traffic shall be governed by the Order on Remand and Report and Order, *In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Intercarrier Compensation for ISP Bound Traffic*, FCC 01-131, CC Docket Nos. 96-98 and 99-68.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be duly executed and delivered by their duly authorized representatives.

Cardinal Communications of Pennsylvania
Inc., d/b/a Broadslate Networks of
Pennsylvania, Inc.

Verizon North Inc., f/k/a GTE North
Incorporated

By: _____

By: _____

Printed: _____

Printed: Jeffrey A. Masoner

Title: _____

Title: Vice-President - Interconnection
Services Policy & Planning

Jack H. White
Vice President and Associate General Counsel



1320 North Courthouse Road
Arlington, VA 22201

June 26, 2001

BY CERTIFIED U.S. MAIL

Kevin M. O'Hare
US WATS
111 Presidential Boulevard, Suite 114
Bala Cynwlyd, PA 19004

Re: Implementation of FCC's *Order on Remand*

Dear Customer:

In a notice dated May 14, 2001, you were advised of Verizon's election to implement the intercarrier compensation regime for Internet traffic set forth in the FCC's *Order on Remand and Report and Order*, CC Docket Nos. 96-98, 99-68 (adopted April 18, 2001) (the "Order on Remand"). This election applies to all Verizon operating telephone companies with which your company has an effective interconnection agreement.

Although it is Verizon's position that the compensation regime set forth in the Order on Remand is self-effecting by operation of various provisions of your interconnection agreement, including its change in law provisions, Verizon has prepared a short amendment, attached hereto, that conforms your agreement to the terms of the Order on Remand. Without waiving Verizon's position that this amendment is not required to implement the terms of the Order on Remand, we are requesting that you review the attached amendment and indicate your consent thereto by signing two copies of the document and returning them to:

Ms. Antonia Siebert
Verizon Legal Department
1320 North Court House Road, 8th Floor
Arlington, VA 22201
Phone: 703-974-4851
Fax: 703-974-0259

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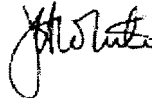
Jack H. White
Implementation of FCC's Order on Remand
June 26, 2001

Attachment 45 – Lacouture/Ruesterholz Reply Decl. – Page 8

If you wish to suggest changes to the attached amendment, we are ready to meet with you by telephone or otherwise to negotiate appropriate revisions. Please provide your proposed changes to Ms. Siebert as soon as possible, and let her know when you or your representative will be available to confer.

As stated in Verizon's industry notice of May 14, 2001, Verizon has also offered, as required by the Order on Remand, to amend your interconnection agreement in each state to implement an alternative rate plan for termination of reciprocal compensation traffic originated by either party that would mirror the rates applicable to Internet traffic in that state. We expect that this alternative rate plan will only be of interest to carriers with a net balance of traffic in Verizon's favor; but if you should nevertheless wish to adopt that alternative rate plan in the Commonwealth of Pennsylvania, please advise Ms. Siebert of that fact and we will forward an appropriate form of amendment.

Sincerely,

A handwritten signature in black ink, appearing to read "J. White", written in a cursive style.

Jack H. White

Attachment

AMENDMENT NO. ____

to the

INTERCONNECTION AGREEMENT

between

VERIZON PENNSYLVANIA INC., f/k/a BELL ATLANTIC - PENNSYLVANIA, INC.

and

US WATS

This Amendment (the "Amendment") to the Interconnection Agreement between Verizon Pennsylvania Inc., f/k/a Bell Atlantic - Pennsylvania, Inc. and US WATS (the "Agreement") is effective June 14, 2001.

Notwithstanding any other provision of the Agreement, Local Traffic does not include any Internet traffic. The Parties' rights and obligations with respect to any intercarrier compensation that may be due in connection with their exchange of Internet traffic shall be governed by the Order on Remand and Report and Order, *In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Intercarrier Compensation for ISP Bound Traffic*, FCC 01-131, CC Docket Nos. 96-98 and 99-68.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be duly executed and delivered by their duly authorized representatives.

US WATS

Verizon Pennsylvania Inc., f/k/a Bell Atlantic -
Pennsylvania, Inc.

By: _____

By: _____

Printed: _____

Printed: Jeffrey A. Masoner

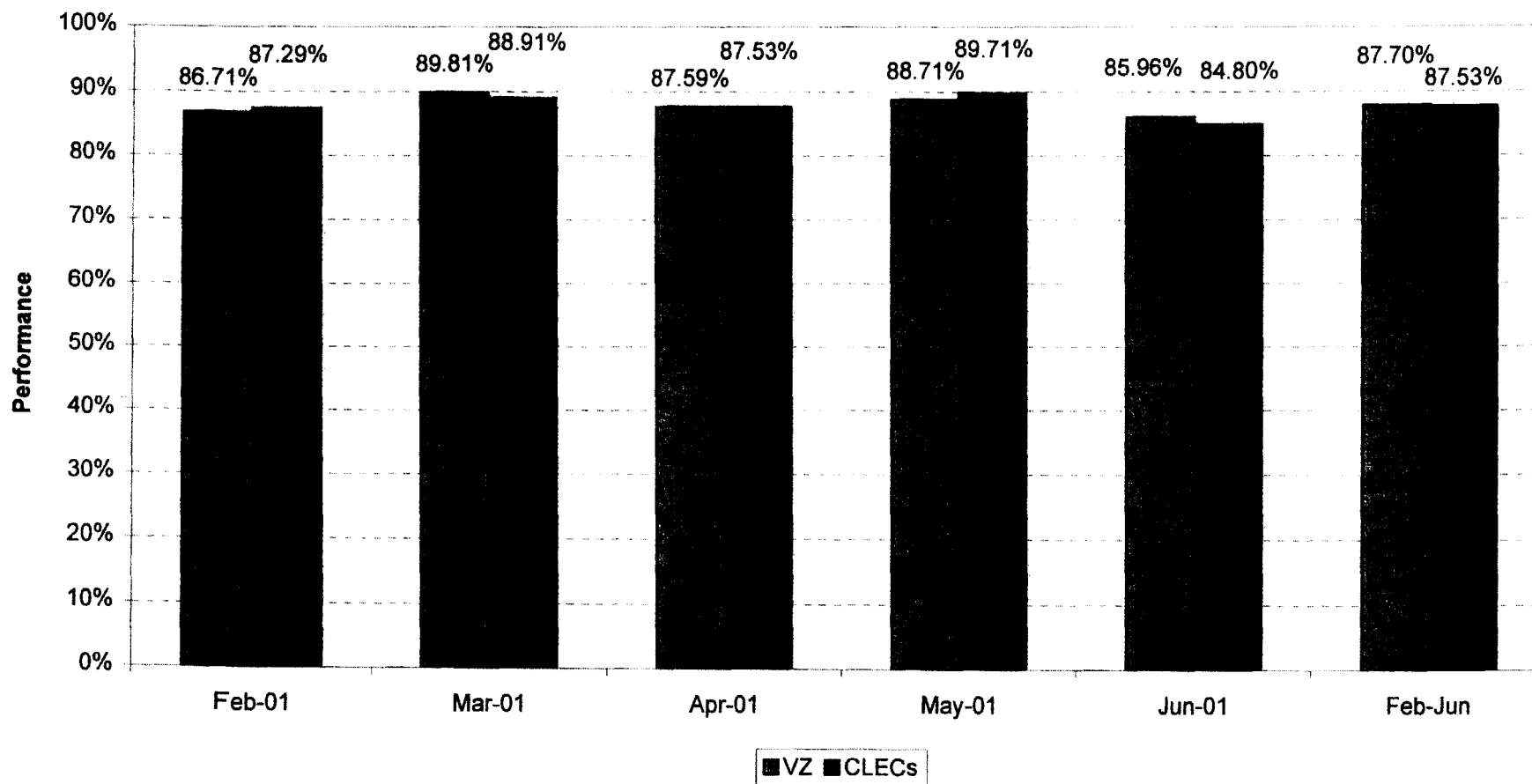
Title: _____

Title: Vice-President - Interconnection
Services Policy & Planning

REPLY DECLARATION OF PAUL A. LACOUTURE AND
VIRGINIA P. RUESTERHOLZ

ATTACHMENT 46

**Pennsylvania - Resale POTS
Maintenance - % Repair Appointments Met - Loop/Central Office
(Inverse of MR-3-01, MR-3-02)
Feb - Jun 01**



Pennsylvania - Resale POTS
Maintenance - % Missed Repair Appointments - Loop/Central Office (MR-3-01, MR-3-02)
Feb - Jun 01

MR-3-01**% Missed Repair Appointments - Loop****VZ**

Performance
Observations

Feb-01 Mar-01 Apr-01 May-01 Jun-01 Feb-Jun

14.19%	10.90%	13.13%	11.93%	14.73%	13.03%
47208	46037	48720	52470	57165	251600

CLEC

Performance
Observations

14.11%	11.55%	13.07%	11.48%	15.53%	13.29%
645	580	597	601	760	3183

MR-3-02**% Missed Repair Appointments - Central Office****VZ**

Performance
Observations

5.03%	4.33%	8.24%	5.75%	6.60%	6.20%
5125	5593	8388	6068	5304	30478

CLEC

Performance
Observations

2.30%	8.05%	9.93%	2.25%	11.59%	6.98%
87	87	141	89	69	473

% Missed Repair Appointments - Loop/Central Office**VZ**

Performance
Observations

13.29%	10.19%	12.41%	11.29%	14.04%	12.30%
52333	51630	57108	58538	62469	282078

CLEC

Performance
Observations

12.71%	11.09%	12.47%	10.29%	15.20%	12.47%
732	667	738	690	829	3656

Repair Appointments Met**Inverse of Weighted Average of MR-3-01 and M****VZ**

Performance

Feb-01 Mar-01 Apr-01 May-01 Jun-01 Feb-Jun

86.71%	89.81%	87.59%	88.71%	85.96%	87.70%
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CLEC

Performance

87.29%	88.91%	87.53%	89.71%	84.80%	87.53%
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